



Victorian Budget 2020/21

Jobs Plan

Our plan for Victorian jobs
and Victorian workers



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Budget Paper No. 4 – Statement of Finances
(incorporating Quarterly Financial Report No. 1)

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From the Premier and Treasurer



As we begin our recovery, front and centre in our efforts must be getting more Victorians back into work. Ensuring not only a job, but certainty and security for them and their family.

It's why this year's Budget delivers a targeted set of initiatives – an economy-wide effort – that forms Victoria's *Jobs Plan*.

Our *Jobs Plan* is dedicated to getting more Victorians back to work, while at the same time building an economy that is fairer and more inclusive for everyone.

Our efforts are defined under the Plan as:

- Victorians at work – getting Victorians back to work
- Building opportunity – building our State as we rebuild our economy
- Supporting industry and growth – support for industries and leveraging our strengths
- Supporting every corner of our State – ensuring no community and no Victorian is left behind

But a plan isn't worth much without a goal.

It's why the *Jobs Plan* sets out an ambitious Jobs Target – to create 400 000 new jobs by 2025, half of them by 2022.

In guiding Victoria's recovery, the *Jobs Plan* seeks to play to our State's strengths, generating growth in established and innovative industries.

It also focuses our effort on those most affected by this pandemic: women, young people, older Victorians, and Victorians who have plenty of experience but don't always have a qualification.

Finally, it adopts a two-for-one approach – investing in the services and support our State needs, while also creating thousands and thousands of new jobs.

Because we understand, by investing in Victoria we're investing in the people who call it home. Our *Jobs Plan* tackles economic and social recovery by putting Victorians at its heart.

It will build our State as we rebuild our economy.

It will support our industries and leverage our strengths.

It will get Victorians back to work.

It will leave no Victorian behind.

And just like our Government, it will put people first.

Daniel Andrews
Premier of Victoria

Tim Pallas
Treasurer of Victoria

Our plan

At a glance



1 Victorians at work

The *Jobs Plan* supports workers through:

- Investing \$1 billion in TAFE and training to give Victorians the skills to get back to work, including providing up to 80 000 new training places over four years. The package includes:
 - \$631 million to ensure the TAFE system can help more Victorians reskill, upskill and find work, as well as funding to attract and support people to reskill as teachers at Victorian TAFEs, including teacher scholarships and mentoring
 - An investment of \$155 million which will provide additional flexibility for Victorians particularly affected by the pandemic, including women, young people and retrenched workers, to access government-funded training in 2021
 - A new skills program for existing and emerging industries, with \$75 million for skills development on selected major projects, a new Clean Economy Workforce Capacity Building program, and new places in accredited skill sets
 - Funding of \$33 million to expand opportunities for apprentices and trainees through a flagship Big Build training pathway, and an additional \$5 million to support women to take on roles in male-dominated trades
- A \$619 million investment in Jobs for Victoria services to maximise jobs and help Victorians into work
- A ground-breaking \$64 million Digital Skills and Jobs program for Victorians looking for work, to acquire skills and transition into new careers in digital roles, including supporting women
- Providing \$836 million for the New jobs tax credit to encourage small and medium businesses to increase employment by re-hiring staff, restoring staff hours or supporting new jobs as they recover from the effects of the pandemic



2 Building opportunity

The *Jobs Plan* includes the projects that will help build our State and rebuild our economy:

- \$6 billion Big Housing Build package, including \$5.3 billion to build more than 12 000 new social and affordable homes and \$678 million to make housing more accessible and affordable for Victorians
- Kick-starting work on the Suburban Rail Loop
- Delivering Geelong Fast Rail
- \$1.9 billion to upgrade 162 schools, building one new school and four additional stages at recently built schools
- \$100 million to continue the renewal of Victoria's TAFE system, funding the redevelopment of Chisholm Institute's Frankston Campus and the redevelopment of Melbourne Polytechnic's Collingwood Campus
- \$55 million through the Building Works Stimulus for a maintenance boost across the TAFE system
- Transforming the Melbourne Arts Precinct
- Driving cheaper, cleaner sources of energy
- Providing \$52 million to implement planning reforms recommended by the Commissioner for Better Regulation, including extending the successful Victorian Planning Authority programs Streamlining for Growth and Affordable by Supply helping fast-track new projects and create new jobs
- Providing stamp duty waivers of up to 50 per cent for residential property transactions of up to \$1 million and land tax discounts for build to rent projects to support our construction industry



3 Supporting industry and growth

The *Jobs Plan* supports industry sectors in recovery, and leverages strengths for the future. Initiatives include:

- A new \$2 billion Breakthrough Victoria Fund to drive investment in research, innovation and the next great breakthroughs over the next 10 years. This investment will play to our strengths, focusing on industries including health and life-sciences, agri-food, advanced manufacturing, clean energy and digital technologies
- Establishing Digital Future Now, a comprehensive \$626 million package to support Victoria's transition to a digital economy – removing more blackspots, connecting regional communities and allowing unemployed Victorians to undertake digital skills training or take part in a digital internship
- Recovery plans for the creative industries, international trade and international education
- Ongoing recovery support for Victorian businesses through grants, tax deferrals and waivers
- Funding of \$189 million to promote business investment in Victoria, including:
 - \$96 million to establish two venture capital and growth funds to assist businesses that are starting up or expanding
 - \$80 million on a package of targeted investment incentives to attract the best and brightest international companies to Victoria
 - \$13 million to promote cooperation in research development and commercialisation



4 Supporting every corner of our State

The *Jobs Plan* ensures no region or community is left behind in the recovery. Initiatives include:

- A Victorian Tourism Recovery Package, with a \$465 million suite of initiatives to support and restart the sector
- An extension of the Regional Jobs and Infrastructure Fund totalling \$156 million to support local priorities, businesses and regional investment in recovery
- Systemic reforms to the planning system and the streamlining of the environment protection statutory approval process to unlock investment and support economic recovery
- \$75 million in funding for the Growing Suburbs Fund to build and upgrade community facilities
- Regulatory reform initiatives, reducing the cost of doing business
- A new \$65 million landmark agriculture strategy will develop, fund and deliver better infrastructure, new technology and greater energy efficiency on our farms
- A 50 per cent stamp duty concession for commercial and industrial property transactions in regional Victoria for contracts entered into from 1 January 2021 – rather than 1 July 2023 as announced in the *2019-2020 Budget*

The public health response

As coronavirus (COVID-19) began to spread swiftly around the world, we knew we had to act – fast.

It's why in March we began to ready our healthcare system: commissioning new beds, new builds, additional staff and innovative technology to deal with the potential incoming demand.

Building on these measures, this Budget commits \$9 billion to support our health system.

Sitting beneath that number was an incredible effort to reinforce and support our State's healthcare system during this cruel and contagious virus.

Since then the Government built an extensive network of more than 200 testing sites across Victoria.

More than 3 million tests have been completed across the state, evolving and adapting as needs and priorities have emerged.

We established six metropolitan Melbourne and six regional Local Public Health Units. These Local Public Health Units strengthened the public health response to coronavirus (COVID-19) and supported engagement with the community, enabled better integration of care and public health functions, and improved the ability to rapidly respond to new cases and outbreaks.

An early investment of \$1.3 billion helped to create capacity for over 1 500 intensive care units and critical care spaces.

The Government further readied our State, ordering thousands of ventilators, dialysis machines and patient monitors – and innovative models of care including telehealth and hospital in the home were rapidly expanded to keep patients and healthcare workers safe.

Over \$980 million was invested to purchase personal protective equipment and medical supplies.

This precious purchase, delivered through a centralised distribution model, managed an order of 602 million gloves, 245 million masks and 25 million gowns.

All of it – every dollar invested, every ounce of effort – dedicated to protecting our State from this virus.

Because we understand, there is no economic recovery without a strong health response first.

There is no
economic
recovery without
a strong health
response first



The economic impact

Across the world, governments have introduced vital restrictions to slow the spread of coronavirus (COVID-19) and save lives.

Globally, these necessary measures have seen economic activity and employment fall sharply. The same is true in Victoria.

The impact of the pandemic on our economic activity has been significant, with Victoria's state final demand falling by 8.5 per cent in the June quarter.

What is clearly evident is that controlling the virus minimises the economic impact and allows for sustainable recovery

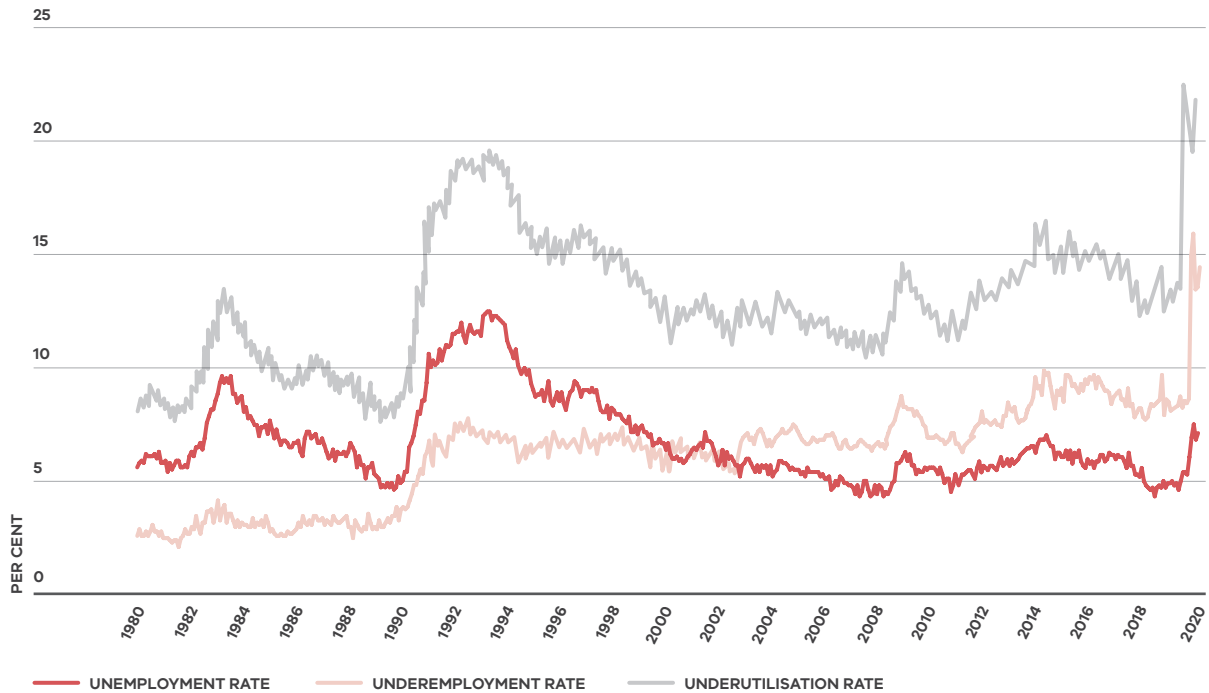
Employment declined by 180 000 (5.2 per cent) from the March to September quarters 2020, and the unemployment rate rose by 1.6 percentage points to 6.9 per cent. However, this trend doesn't fully capture the level of underemployment – those people who weren't able to get as many hours of work as they wanted.

With gross state product forecast to decline by 4 per cent in 2020-21, the economic impact of the pandemic is estimated to be the largest in over 90 years – since the Great Depression in 1929.

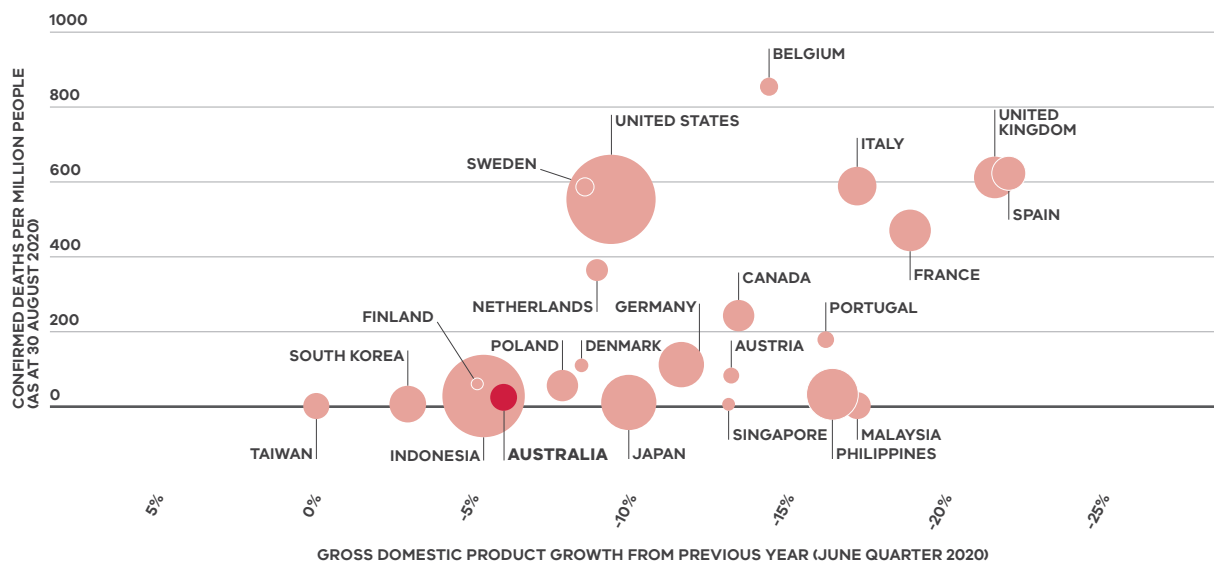
The weight of that impact has been experienced differently by different communities and industries.

What is clearly evident is that controlling the virus minimises the economic impact and allows for sustainable recovery.

UNEMPLOYMENT, UNDEREMPLOYMENT AND UNDERUTILISATION RATES



ECONOMIC OUTCOMES AND CORONAVIRUS (COVID-19) DEATHS ^(a)



The economic impact on parts of our community

The economic impact of the pandemic has been felt by almost every Victorian – whether it’s them, or someone they love.

It’s why as we rebuild from the pandemic, the Andrews Labor Government wants to make sure no worker, sector or community is left behind during our recovery.

Most industries have seen job losses during the coronavirus (COVID-19) pandemic. But several sectors have experienced a greater economic impact.

Their recovery – and the recovery of their workforce – risks being slower, which is why one of the four key elements of the *Jobs Plan* is to provide targeted support for affected workers.

This pandemic has also laid bare the very real cracks in our economy.

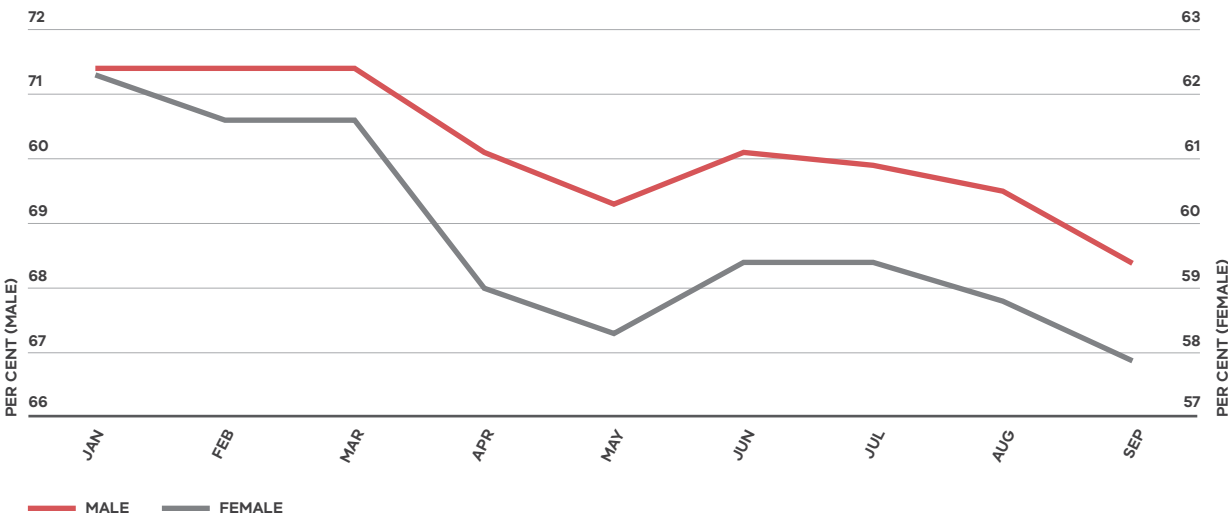
Those who have suffered the most have been women, young people, those aged over 60, and Victorians who have plenty of experience but don’t always have a formal qualification.

The pandemic has made the existing gender disparity more pronounced, with women more likely to have lost their jobs during the pandemic.

Female employment and participation were further affected by remote learning and the closure of early childhood education and care services to keep families safe.

Childcare responsibilities fell disproportionately to women, with Australian women at least four times more likely than men to report they looked after children full time during the pandemic’s public health restrictions.

PARTICIPATION RATE BY GENDER, FROM JANUARY TO SEPTEMBER 2020, VICTORIA



Source: Australian Bureau of Statistics



The pandemic also hit young Australians.

In fact, their employment was affected more than any other demographic group, with young Victorians more likely to work in the hardest-hit industries including recreation, accommodation, food services and the arts.

For example, in 2019, some 63 per cent of the accommodation and food services workforce was under the age of 30.

The JobMaker package in the *Commonwealth Budget 2020-21* includes a range of measures that acknowledge the disproportionate impact of the pandemic on young people. Tens of thousands of young Victorians will potentially be supported by the scheme.

But an incentive to hire a young person will require complementary and holistic strategies.

That includes making sure young Victorians have the skills and support they need, and that businesses have the confidence and growth opportunities to hire new staff. That's what the *Jobs Plan* delivers.

Australian Bureau of Statistics data indicate that older Victorians have also been significantly affected during the pandemic, potentially having long-term consequences for their retirement and later years.

Qualification and skill levels also factor into how the economic impact has affected individual workers.

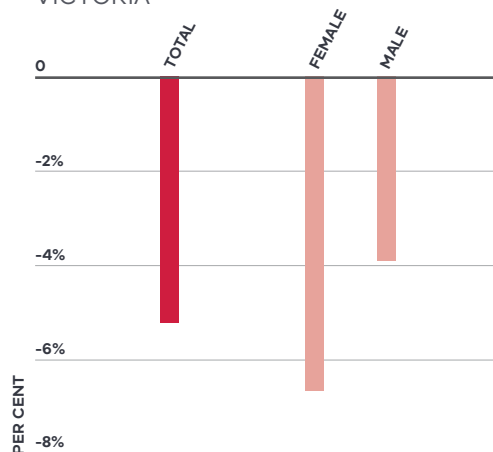
Since March 2020, the greatest decline in employment has been among occupations requiring the completion of secondary education or less, including labourers and hospitality workers.

Workers without post-school qualifications are also less likely to be in jobs that could adjust to the public health restrictions by working from home.

This pandemic has had a profound impact on these Victorians.

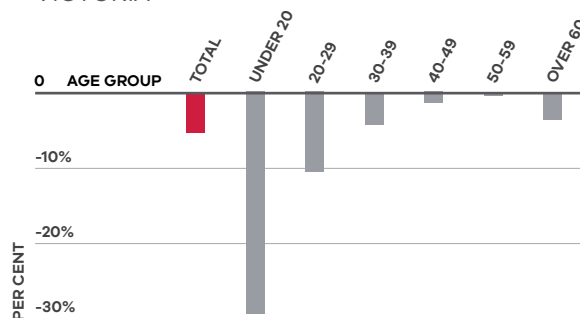
As we rebuild, genuine recovery will mean making sure they're at the heart of our response.

CHANGE IN EMPLOYMENT BY GENDER, MARCH TO SEPTEMBER QUARTERS 2020, VICTORIA



Source: Australian Bureau of Statistics

CHANGE IN EMPLOYMENT BY AGE, MARCH TO SEPTEMBER QUARTERS 2020, VICTORIA



Source: Australian Bureau of Statistics

The economic impact on Victorian industry

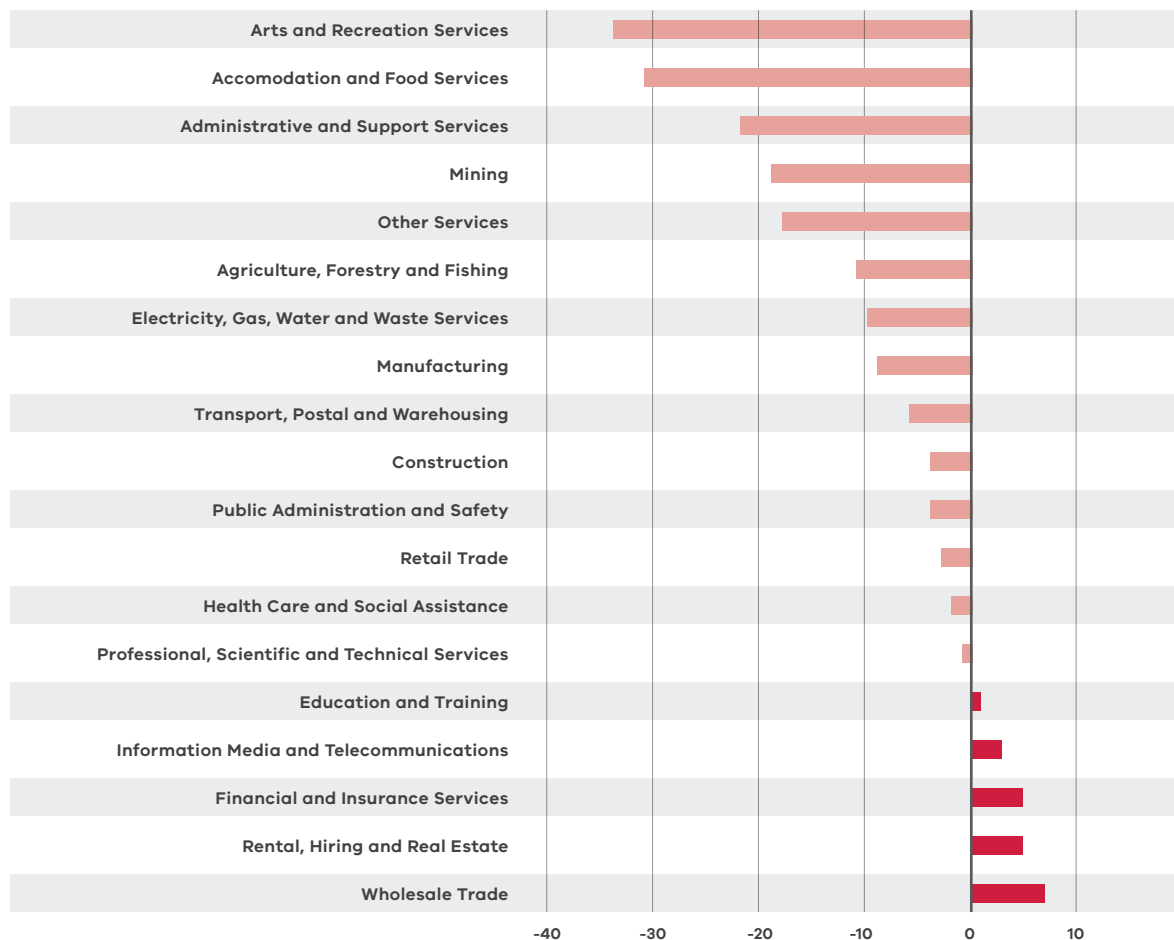
The global pandemic has affected all parts of the economy.

However the sectors most heavily affected are those centred around in-person experiences including hospitality, tourism, creative industries, and sport and recreation.

International border closures meant international education was affected as students from overseas deferred and then cancelled their return for the 2020 academic year.

By supporting these most affected industries – and the Victorians who rely on them for work – we can begin to rebuild our economy and play to our State's strengths.

CHANGE IN EMPLOYMENT BY INDUSTRY, FEBRUARY TO AUGUST 2020, VICTORIA



Source: Australian Bureau of Statistics



The economic impact on parts of our State

This pandemic has affected different parts of our State in different ways.

Reflecting the size of its population, and the need to impose stronger health restrictions, Metropolitan Melbourne saw the greatest falls in employment.

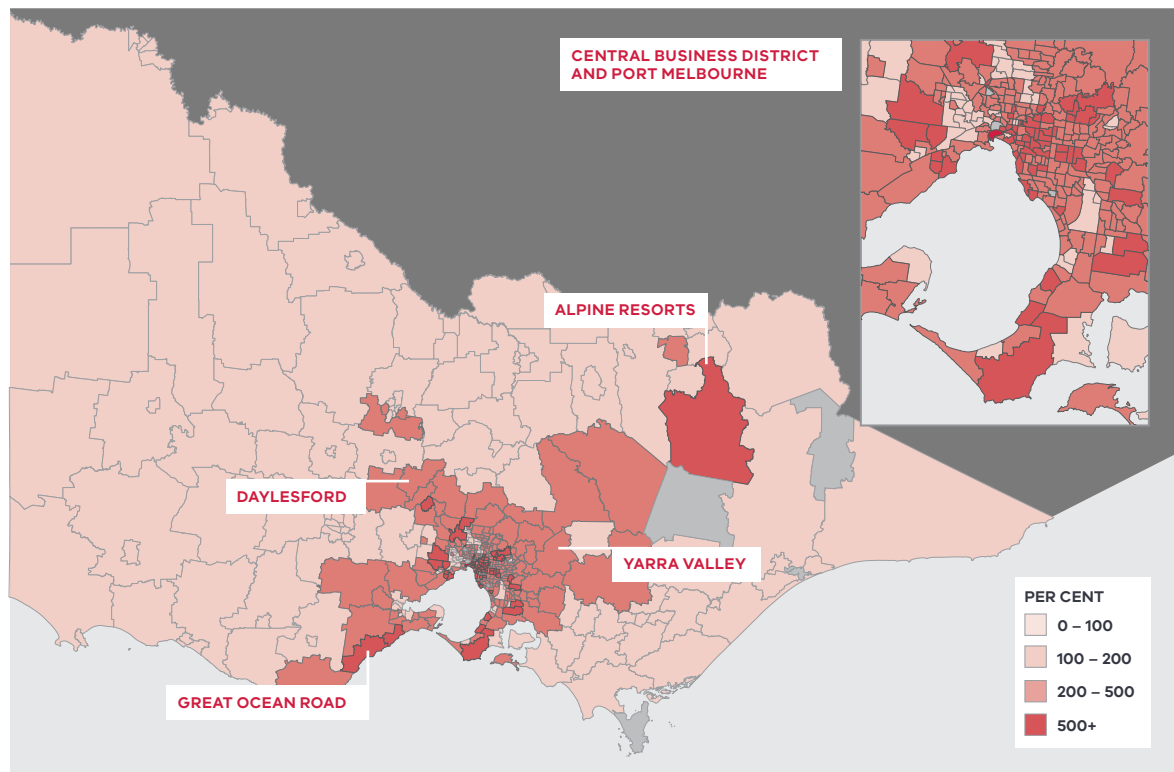
Employment declined by 6.5 per cent (175 000 persons) in Melbourne compared with 2 per cent (15 000 persons) in regional Victoria from the March to September quarters 2020.

At the same time, tourism-reliant regional areas such as around the Great Ocean Road, Daylesford, the Alpine Resorts and the Yarra Valley are also affected.

Communities in our State's east and north have been dealt the double blow of the pandemic and the unprecedented summer of bushfires earlier this year.

This Budget is dedicated to making sure these communities – and every community – has the support they need to rebuild and recover.

CHANGE IN NUMBER OF JOBSEEKER RECIPIENTS BY SMALL AREA, MARCH TO SEPTEMBER QUARTERS 2020, VICTORIA^{(a)(b)(c)}



Sources: Australian Bureau of Statistics, Commonwealth Department of Social Services

Note:

^(a) JobSeeker recipients include Youth Allowance (other) recipients

^(b) Small areas are Statistical Area Level 2 as defined by the Australian Bureau of Statistics

^(c) Areas in light grey shading are not applicable due to a low number of observations

Impact of Commonwealth policy on Victoria

Victorians are significant beneficiaries of Commonwealth economic support deployed in the wake of the pandemic. Support such as JobKeeper and cash flow assistance have been important for keeping businesses open, stimulating economic activity and keeping Victorians employed. Furthermore, the Coronavirus Supplement to JobSeeker and Youth Allowance recipients, and one-off payments to pensioners have supported household incomes, consumer spending and economic activity.

Commonwealth economic support has been welcome. However, the JobKeeper wage subsidy excludes some of the groups most affected during the pandemic, including casuals who were with their employer for fewer than 12 months, and temporary residents.

A substantial proportion of casual employees are likely to have missed out on JobKeeper and lost work. Nationally, nearly two-thirds of the total decline in employment from February to August was from casual employees. And in 2019, 43 per cent of all Victorian casual employees were with their employer for fewer than 12 months.

The JobKeeper exclusion for shorter term casual employees exacerbates the disproportionate economic impact of the pandemic on women. In 2019, 56 per cent of casual employees were female.

There were over 160 000 temporary residents employed in Victoria in 2019, many of them employed in industries most affected during the pandemic – including accommodation and food services, which is one of the two largest employers of temporary residents in Victoria. Unfortunately, temporary residents are ineligible for Commonwealth support from either the JobKeeper or JobSeeker payments.

Victoria's education sector represents approximately 3 per cent of the Victorian economy and 22 per cent of our exports, making it our largest service export sector. Unfortunately, universities were also excluded from the JobKeeper wage subsidy program despite the international student intake for Victoria's education sector dropping by 49 per cent during the pandemic.

The reduction to fortnightly JobKeeper – by \$300 for full time workers and \$750 for part time workers – from 28 September 2020 came as Victoria introduced necessary public health restrictions in response to the second wave of the coronavirus (COVID-19). The coronavirus supplement for JobSeeker recipients was also reduced by \$300 a fortnight. These cuts have disproportionately affected Victoria's economy and lower income Victorians, right when support was needed the most.

The *Commonwealth Budget 2020-21* continues the trend of Victorians not receiving their fair share of infrastructure investment. Despite more than 26 per cent of Australia's population living in Victoria, it is estimated that the State will receive less than 22 per cent of Commonwealth infrastructure investment over the five years to 2023-24.

As detailed in Budget Paper 2, Chapter 4, the Commonwealth Grants Commission's 2020 Methodology Review significantly reduced the GST relativity for Victoria and the methodology change is expected to redistribute approximately \$1 billion per year in GST revenue away from Victoria.

The economic support to date

The economic consequences of the pandemic and the public health response were understood early by the Andrews Labor Government.

It's why, as we put in place the necessary health measures, we also acted to support businesses and workers.

By delivering support at critical junctures – including the Economic Survival Package, the Business Support Package and most recently, the Business Resilience Package – we've been able to help businesses and workers through to the other side of the global pandemic.

The Business Support Fund has allocated \$2.6 billion in support to the hardest hit sectors of the economy, including hospitality, tourism, accommodation, creative industries and retail.

Additional assistance was provided through industry-specific support, made available for the tourism, hospitality and creative sectors, totalling over \$647 million, including:

- The \$251 million dedicated Licenced Venue Fund to provide support to bars, restaurants, pubs, clubs, hotels and reception centres, with grants of up to \$30 000 for licenced venues
- The \$100 million Sole Trader Support Fund to help sole traders in affected industry sectors survive the impacts of continued public health restrictions
- A \$94 million support package to help the state's hard-hit creative sector survive the impacts of the pandemic
- \$40 million to support regional tourism accommodation providers affected by cancellations



A \$350 million fund was set up to support Victorian universities' capital works, applied research and research partnerships to boost Victoria's productivity and economy.

In order to help businesses survive the pandemic and keep paying staff, the Government also made unprecedented emergency changes to taxes, fees and charges:

- Providing full payroll tax refunds and waivers for the 2019-20 financial year to small businesses with payrolls of less than \$3 million – giving \$1 billion back to businesses who needed it. It saved eligible businesses up to \$114 000 and an average of \$29 000
- Exemption from payroll tax and the WorkCover premium on JobKeeper payments to staff stood down and payments above an employee's usual salary
- A waiver of up to 50 per cent on 2020 land tax liabilities for landlords who provide rent relief to eligible small and medium businesses, while payment of the remaining tax can be deferred to 31 March 2021
- Land tax relief for eligible small and medium businesses that own their commercial premises and landlords who were unable to find a tenant due to the pandemic
- Waiving and refunding 2020 and 2021 liquor licence fees, waiving 25 per cent of the 2020 congestion levy, a full waiver for all 2021 vacant residential land tax liabilities that arise due to property vacancies in 2020 and deferring an increase to the landfill levy
- Freezing all fees and fines that were due to increase in July. The 2020-21 Fire Services Property Levy was frozen at the 2019-20 revenue target

The \$587.5 million Working for Victoria Fund was also created to help workers who lost their jobs find new opportunities.

Since launching in April, the initiative has supported more than 11 000 jobs for Victorians – giving these workers greater security and certainty and supporting our State's pandemic response.

The Government also supported the construction industry and jobs, with our \$2.7 billion Building Works package, fast-tracking shovel-ready projects across the state.

This investment helped support 3 700 direct jobs for construction workers, trades, professionals, maintenance workers and administration staff, with thousands more jobs supported across supply chains.

These investments have helped keep businesses afloat and Victorians in jobs.

But as we begin work to rebuild our State, we know we need to do more than just repair the damage.

Instead, we need to address some of the deep economic inequalities exposed by this pandemic.

We need to give businesses confidence and optimism for the future.

And we need to help Victorians return to work and recover – in every sense of the word.

The *Jobs Plan*

Before the pandemic, some 523 000 new Victorian jobs were created between November 2014 and March 2020.

In fact, our State created more jobs in this period than any other state or territory in Australia.

Victoria's *Jobs Plan* wants to replicate this success, getting more Victorians back to work, while building an inclusive and innovative economy.

This is underpinned by two key principles:

Firstly, not leaving any worker, sector or community behind. Genuine recovery means inclusive recovery, where every Victorian gets the support they need.

Secondly, playing to our strengths. Victoria has a range of fundamental strengths that will be critical to our rebuild and our long-term future.

A plan though, isn't worth much without a clear goal.

It's why the Government is setting an ambitious Jobs Target – to create 400 000 new jobs by 2025, 200 000 by 2022. These are big numbers – but we shouldn't lose sight of what they really mean.

We need to get more Victorians in work, finding purpose and security. Not just so more families are able to pay the bills, but so they're able to plan for their future. And that future is a Victoria that is fairer, stronger and more inclusive – for everyone.

What it means

The *Jobs Plan* will provide a targeted, timely economic stimulus that kick-starts the economy – getting more Victorians back to work and laying the foundations for a more inclusive and innovative economic recovery.

The *Jobs Plan* is built on fundamentally strong budget settings, a track record of investment in services and infrastructure, and an enviable record of economic growth throughout the state.

It also reflects that there is no 'one' Victorian worker, business or community. An effective recovery plan requires tailored support to meet the diverse needs of our State.

Guiding this work, the *Jobs Plan* has four distinct elements.

- 1. Victorians at work: Getting Victorians back to work**
- 2. Building opportunity: Building our State as we rebuild our economy**
- 3. Supporting industry and growth: Support for industries and leveraging our strengths**
- 4. Supporting every corner of our State: Ensuring no community and no Victorian is left behind**

Together these four key pillars will help grow jobs, get more Victorians in work and begin our State's recovery.

The *Jobs Plan*, as well as other initiatives announced since the 2019-20 Budget Update, will support around 125 000 jobs over the life of these initiatives.





1. Victorians at work

Getting Victorians back to work

This pandemic has laid bare the inequalities in our economy. Those who have suffered the most have been women, young people, those aged over 60, and Victorians who have plenty of experience but don't always have a formal qualification.

As we begin to rebuild our economy, getting these Victorians back to work will be central to our recovery.

With the *Jobs Plan*, we'll ensure no Victorian worker is left behind.

Creating Jobs for Victoria

A new jobs policy will support Victorians to find employment – and with it, security, stability and certainty.

The Andrews Labor Government's new \$619 million Jobs for Victoria initiative will help provide targeted and tailored support for Victorians most affected during this pandemic.

These positions will be made available to Victorians hardest hit financially during this pandemic, including women, young people, retrenched workers and people who have been long-term unemployed.

At least \$150 million of subsidy support will go towards getting women back in work, of which \$50 million is for older women, recognising the very real barriers they face.

These subsidised positions will be focused on creating new ongoing permanent jobs, making sure we're providing long-term security for these workers and their families.

Under the program, thousands more Victorians will be able to access the help they need – whether that's advice about training pathways, career counselling or more intensive support.

This investment includes at least 10 000 work placements, giving Victorians the experience they need to get their foot in the door.

Secure Work Scheme

The pandemic has highlighted that too many workers are having to choose between going to work sick and losing wages.

To support casual workers, this Budget provides funding to develop a new Secure Work Pilot Scheme. Once in place, this two-year pilot will provide up to five days of sick and carers pay at the national minimum wage for casual or insecure workers in priority industries.

Putting TAFE and training at the heart of our recovery

The Government is investing \$1 billion in the TAFE and training system, giving thousands of Victorians the opportunity to reskill and upskill.

It includes up to 80 000 new subsidised training and Free TAFE places, in addition to the 18 000 places announced earlier this year.

A dedicated \$155 million will help Victorians particularly affected by economic disruption, including women and young people to access training.

Targeted opportunities will be made available through TAFE and other training providers across Victoria in 2021, making it easier for Victorians with pre-existing qualifications to retrain for sectors in need of more skilled workers.

Funding will support training in priority areas, including healthcare, community services and construction.

Funding will also attract and support people to reskill as teachers at our TAFEs, giving these Victorians the opportunity to share their skills – with new teacher scholarships and mentoring.

The Government is also investing \$38 million to commence major reform of vocational senior secondary schooling in Victoria, supporting universal access to quality vocational and applied learning for every student in the state and providing coordinators in government secondary schools to support vocational and applied learning pathways.

Tax credits to grow jobs

A New Jobs Tax Credit will be provided to encourage small and medium sized businesses to re-employ staff, restore staff hours and hire new staff.

For the next two years, eligible businesses will receive a tax credit of 10 cents for every dollar of Victorian taxable wages above the previous year's.

This means that not only will eligible businesses pay no payroll tax on these increased wages – they will get a refund of tax already paid. The more they increase wages and employment in Victoria, the less payroll tax they will pay.

This \$836 million tax relief measure is expected to help support 9 400 jobs and stimulate the economy by providing tax relief to 14 000 businesses in 2020-21, and 21 000 businesses in 2021-22.

The skills we need

The Government will help unemployed Victorians reskill and find a job fast – offering new support with accredited and innovative new 'skill sets'.

Like a mini qualification, skill sets will help up to 52 000 Victorians learn specific skills with targeted training. This is in addition to the 11 000 new construction skill sets announced earlier this year.

This \$75 million investment will help Victorians rapidly retrain and find new opportunities, with skill sets made available through our TAFEs and training organisations.

The Workforce Skill Set Pilot Program will also support employers, in partnership with a training provider, to offer their own skill sets – providing Victorians with an opportunity to learn hands-on skills from those in the industry.

Grants will be provided where immediate or emerging industry and jobs needs are strongly demonstrated.

New Skills and Jobs Centres will be established at the North East Link and the new Footscray Hospital, providing onsite advice for Victorians who want to be a part of these projects.

The Centres will connect Victorians with available opportunities, while also providing advice on training and apprenticeships.

A Clean Economy Workforce Development Strategy and Taskforce will also be established to develop a long-term plan to create and support jobs in this fast-growing industry.



Supporting new apprenticeships

A package of measures worth \$58 million will support Victorian workers to earn while they learn.

Funding of \$33 million will expand opportunities for apprentices and trainees through a flagship Big Build training pathway.

This transformative new approach will support the employment and training of up to 1500 apprentices and trainees each year across our Big Build.

Creating a single point of entry for apprentices and trainees looking for work, it will mean we're able to connect these Victorians to new opportunities – and fast.

With a centralised approach, we can also make sure Victoria's Big Build creates more opportunities for a broader group of Victorians, with a particular focus on women and other Victorians who may otherwise miss out.

This additional coordination will also support apprentices and trainees to complete their training even if their work on a particular aspect of a project may have finished, by supporting them to move onto other projects in the Big Build.

Funding is also provided to expand the pilot of higher apprenticeships and traineeships in the social services sector. This will create opportunities for 400 existing workers to continue their employment, while also validating their on the job work experience by gaining a qualification.

This Budget will also strengthen support for apprentices and employers more broadly, with a focus on ensuring apprentices can complete their training.

Turning digital demand into new opportunity

The pandemic has required a rapid shift to online business and workplace activity. In turn, this has created demand for digital skills across our economy.

To further strengthen those skills – but also help Victorians who have lost their jobs during the pandemic – this Budget includes \$64 million for the new Digital Skills and Jobs program.

This program will provide high quality, industry-led short courses and internships to reskill 5 000 unemployed workers to transition into digital careers where demand is strong and vacancies exist. These short courses and internships will support unemployed workers to transition into new careers.

The initiative will benefit industry by expanding the pool of local digital talent. The availability of digital internships will incentivise Victorian employers, making it easier for them to skill and hire unemployed and mid-career workers for digital roles.

This ground-breaking investment will assist these Victorians into a potential new career, helping them to retrain and reskill, with a strong focus on supporting women.

The program will give participants the opportunity to undertake digital skills training or take part in an internship with an employer on a digital project.

Not only will this set our State up with the skills we need for the future, it'll help almost 5 000 Victorians find new opportunities.

Supporting women back into work

Overwhelmingly, women have been affected most during this pandemic.

Through Victoria's *Jobs Plan*, the Andrews Labor Government will support more women back into the workforce – ensuring they have the stability and security they deserve.

This Budget delivers new support for parents and families, while creating new opportunities for women to pursue new careers across a range of sectors.

Helping families balance the daily juggle of work and care, the Government is delivering \$170 million to make kinder free next year – saving families around \$2 000 and supporting more women back into work.

To further help parents participate in the workforce, the Government is investing \$82 million to increase the availability of before and after school care.

Reaching up to 400 schools across the state, this investment will make sure more families can rely on outside hours school care – giving parents greater flexibility when it comes to work, study, training or re-entering the workforce.

The Government has also invested in a range of new roles and professional pathways in key industries, set to create new opportunities for women. This includes:

- \$150 million to support businesses to hire 6 000 women through wage subsidies, delivered through the Jobs for Victoria initiative. About one-third of the subsidies will go to older women, recognising the additional barriers they face
- \$33 million to expand opportunities for apprentices and trainees through a flagship Big Build training pathway, including a focus on supporting women and disadvantaged Victorians into the construction sector
- \$5 million for a dedicated stream of the Apprenticeship Innovation Fund to support more women into trades through the provision of grants to eligible industry and training organisations to support and encourage women to pursue non-traditional roles, including in the construction industry
- \$5 million to deliver the short, medium and long-term actions outlined in the Women in Construction Strategy and to help implement the Building Equality Policy by creating training and employment opportunities for women on government construction projects valued at \$20 million or more
- A subsidy will be provided to employ and train 40 new building surveyors across local government authorities, with an emphasis on attracting women to this career and improving gender balance in the profession
- The \$2.4 million Women in Transport program to provide training, scholarship and employment opportunities for women in the transport sector. The program will provide:
 - Training and employment opportunities for 300 women to become heavy vehicle drivers
 - Australian qualifications and employment opportunities for 40 female refugee and asylum seeker engineers through the Engineering Pathways Industry Cadetship program
 - Scholarships for 20 women undertaking diesel mechanic apprenticeships
 - 15 vocational placements for PhD students and 20 undergraduate and postgraduate scholarships for women studying in transport-related fields

- \$235 million to build our Recovery Workforce to create new jobs across mental health, family violence, health and child protection:
 - Funding to support 240 new traineeships to increase support for victims of family violence and sexual assault
 - 10 nurse educators to support and supervise experienced general nurses to retrain as mental health nurses
 - Recognising the overwhelming number of women in personal caring roles, the Government will invest \$4.6 million to support pathways into employment in the community services, disability and aged care sectors. The funding will help carers deploy their incredible skill, ability and knowledge into paid positions
 - An expansion of the existing mental health nurse graduate program
- The recruitment of more than 4 100 tutors across government and non-government schools for post-pandemic support, with around 80 per cent expected to be filled by women
- The recruitment of up to 1 730 teachers, allied health workers and other staff to support students with disability in Victorian government schools by 2025
- The \$64 million Digital Skills and Jobs program will fund short courses and up to 5 000 industry internships to retrain Victorians who have lost their jobs during the pandemic, including women
- Support for 400 social services workers to gain credentials and upskill through higher apprenticeship pilots while they work
- \$18 million to support new and established small business owners through a series of workshops, mentoring services and coaching. A further \$26 million will support business owners to establish themselves online
- \$10 million to help female startup founders access capital through the establishment of a women's founders Angel Sidecar Fund
- Using the Government's purchasing contracts to create employment and training opportunities for women



CASE STUDY



Working for Victoria

The Working for Victoria Fund was established in April 2020 as a key pillar of the Andrews Labor Government's economic response to the pandemic, as part of the \$1.7 billion Economic Survival Package.

The Government has worked closely with business and unions to establish the Fund, supporting more than 11 000 Victorians back into work.

Working for Victoria is open to workers who have recently lost their job or casual employees who no longer have shifts, matching jobseekers with employers.

The program also includes training to help jobseekers expand or update their skills, enabling them to work in areas now hiring. That includes access to free online courses delivered through Free TAFE.

In contrast to other assistance, international students and temporary migrants are eligible to apply for Working for Victoria.

And – in just seven months – we've achieved some incredible outcomes.

Working for Victoria joined with the Victorian Council of Social Services (VCOSS) to deliver funding for 59 organisations including Anglicare, the Brotherhood of St Laurence, Jesuit Social Services, Uniting, Foodbank and a range of migrant services, boosting their frontline efforts and supporting 1 100 new jobs.

The Government has struck agreements with an additional 10 local government authorities to support some 1 200 Victorians to immediately return to work with roles including maintaining local parks, gardens and sporting fields and performing a range of community services to support vulnerable residents.









2. Building opportunity

Building our State as we rebuild our economy

Since 2014, the Andrews Labor Government has made an unprecedented investment in Victoria's infrastructure.

Announced infrastructure investment since November 2014 has supported or will continue to support over 165 000 jobs.

From schools to hospitals, road and rail – we have strengthened our economy by strengthening our State.

That includes delivering projects: Metro Tunnel, removing 75 level crossings, the Joan Kirner Women's and Children's Hospital for families in Melbourne's west, and delivering 21 new schools with a further 48 new schools soon to open.

As we recover from this pandemic, a 'two-for-one' approach will continue to be how we deliver for Victorians.

By investing in regional and suburban rail – we're supporting more local jobs, and getting people home sooner.

By upgrading local schools – we're employing thousands more Victorians, and making sure our kids get the education they deserve.

And by delivering the biggest housing investment our State has ever seen – we're supporting more Victorians back into work and affording more people the security of a home.

The *Jobs Plan* continues our record investment.

Delivering the Suburban Rail Loop

The Suburban Rail Loop will transform Victoria's public transport system and connect Melbourne's middle suburbs.

The 90-kilometre Suburban Rail Loop will link every major rail line from the Frankston line to the Werribee line, via the airport.

And with three transport super hubs at Clayton, Broadmeadows and Sunshine – regional passengers will also benefit, no longer having to travel through the CBD to get to work, our world-class hospitals or universities in the suburbs.

This is a project that will transform the way we travel, connecting Victorians to jobs, education, healthcare – and most importantly, to each other.

This Budget invests \$2.2 billion to kick-off initial and early works on Stage One running between Cheltenham and Box Hill – laying the groundwork for tunnelling, including preparation of our tunnel boring machine launch sites and geotechnical investigation.

In addition to kick-starting this city and state-shaping project, this investment will support initially up to 800 jobs – with a further 20 000 jobs over the construction period.

Geelong Fast Rail

As our second biggest city continues to grow, making sure locals have a fast, reliable rail connection between Geelong and Melbourne matters more than ever.

This Budget delivers \$2 billion towards Geelong Fast Rail, reducing travel times and supporting more passengers on our State's busiest regional rail line – matching the Commonwealth's contribution to the project.

As an investment, it will mean fewer stops, faster trips and less crowded trains for locals. It'll also reduce reliance on the Princes Freeway corridor.

Most importantly, it'll mean less time commuting – and more time spent with the people you love.

This funding builds on funding provided in last year's budget to deliver detailed planning and design works.

The project will support over 2 800 jobs at the peak of construction and will continue supporting jobs once complete, with improved connections between the two cities.

Victoria's Big Housing Build

Record investment in social and affordable housing

This year has shown us just how much home matters.

It's also brought into sharp relief: far too many Victorians are still missing out on the safety and security that a home affords. It's why this Budget delivers our State's biggest ever investment in social housing.

Victoria's Big Housing Build package will invest \$6 billion to expand and diversify social and affordable housing across the state, improving the lives of thousands of Victorian families. This includes \$5.3 billion to deliver more than 12 000 new dwellings across our State, and make housing more accessible and affordable for Victorians, supporting around 10 000 jobs on average per year over the next four years – with around a quarter of the total investment taking place in regional communities.

The new dwellings under Victoria's Big Housing Build include 9 300 new social housing dwellings replacing 1 100 old housing units, and 2 900 new mainly affordable and low cost homes.

The Big Housing Build gets a fast start this financial year with more than 1 000 commencements ready to happen – immediately supporting around 2 000 jobs.

The package also provides funding to accelerate the public housing capital upgrade program, including the enhanced gas heater servicing and replacement programs. These works will make home more comfortable for public housing tenants, while also supporting jobs.

This package builds on the \$498 million provided through the Building Works package for improvements such as increased security, maintenance and capital upgrades across public and community housing.

Making housing more affordable

Saving up for your first home is hard enough – let alone during a pandemic.

That's why the Government is offering stamp duty waivers on residential properties worth up to \$1 million bought before 30 June 2021.

This includes a 50 per cent stamp duty saving – worth up to \$27 500 – for new builds and a 25 per cent stamp duty saving – worth up to \$13 750 – for existing residential properties.

Not only will this make it easier for Victorians to buy their home – it will give much needed support to the construction sector, a key driver in Victoria's economic growth.

For some Victorians, this year has made it even harder to save a 20 per cent deposit to buy their home.

To support these Victorians, the Government is launching the Victorian Homebuyer Fund with \$500 million to help Victorians into a home by contributing to the purchase price.

Under the program, the Government will provide equity to Victorians looking to buy a home. This will reduce the size of the deposit required and will help Victorians buy homes sooner.

For other Victorians, buying a home isn't a goal. Renting is a common part of housing markets worldwide. Investment in the build-to-rent sector will provide greater choice and diversity of housing options for renters. That's why from 2022, the Government will provide a 50 per cent land tax discount until 2040 to attract new investment in build-to-rent developments, increasing housing supply by an estimated 5 000 dwellings.

To unlock construction activity, Victoria's Big Housing Build includes \$52 million in funding to implement the Commissioner for Better Regulation's planning reforms to improve the planning system's performance and clarity, and to grow housing supply across the state through the Victorian Planning Authority programs Affordable by Supply and Streamlining for Growth.

In addition, \$59 million in funding is provided for targeted planning system reforms. The reforms will have a critical role in unlocking private sector investment and supporting Government initiatives, including the delivery of infrastructure, jobs and housing.

Cheaper, cleaner energy to power recovery

A key element of the *Jobs Plan* is a transformational \$1.6 billion investment to improve energy efficiency in Victorian homes and accelerate clean energy investment, while supporting thousands of new Victorian jobs.

The Government will develop Victoria's Renewable Energy Zones to bolster system strength and unlock new renewable energy investment, supporting economic growth and jobs.

This includes funding to begin planning for at least 600 megawatts of new, clean energy through a second Victorian Renewable Energy Target auction. This will help to ensure the Government meets its legislated target of 50 per cent of electricity generation from renewable sources, which has been estimated to create around 24 000 jobs by 2030 and generate up to \$5.8 billion in additional economic activity.

Funding will also be provided for energy efficiency upgrades to 250 000 low income households and 35 000 social housing properties, providing cheaper energy bills for families, more comfortable living for residents and jobs for Victorians.

The package also includes:

- \$682 million for clean energy initiatives across our State, including supporting new renewable energy zones through grid investment, delivery of the Victorian Big Battery, upgrades to transmission networks and new clean energy generation projects facilitated. Funding will also attract and fast-track investment in innovative energy projects that will deliver transformational benefits to Victoria, with consumers able to benefit from these projects from 2025
- \$191 million to provide solar panel system and battery storage rebates to more homes and small businesses
- \$50 million to deliver low-emission, low-cost energy services in Victoria including:
 - Establishment of community power hubs to develop and deliver local renewable energy projects in regional Victoria and metropolitan Melbourne

- Legislative amendments and policy development to mandate timely utility connections, expanding the Victorian Energy Upgrades program energy standards in rental properties, and work towards net zero carbon new homes
- Development of a gas roadmap to support more efficient use of gas, the competitiveness and long-term viability of industrial customers that currently use natural gas as a feedstock, development of renewable gas sources and strategic substitution opportunities through increased electrification and alternative fuels, including hydrogen and biogas
- \$31 million for co-investment with large energy users to support energy efficiency projects, reducing their energy costs and fast-tracking the local adoption of innovative energy efficiency technologies.
- \$25 million to accelerate adoption of zero emission vehicles, including rolling out a fast-charging network for motorists across major highways and key tourist destinations and introducing electric vehicle ready provisions in new buildings from 2022 to prepare for mainstream uptake



Solar homes

The Government's 10-year Solar Homes program is putting a power station on hundreds of thousands of Victorian homes – driving down power bills and supporting jobs across the state.

This Budget will invest \$152 million to make sure even more Victorians can benefit from the program, including an extra 42 000 rebates for home owners.

The Solar Homes battery program will also be expanded, with 17 500 rebates made available over the next three years. 'Postcode eligibility' will also be removed, meaning Victorians in every corner of the state can now apply for a battery.

Funding will also continue to be provided for training, safety and quality audits.

In last year's Budget, the scheme was expanded to include renters – ensuring every Victorian has access to cheaper, more reliable power whether they own or rent their home.

Now, we'll expand Solar Homes even further, with a \$38 million investment extending the eligibility for small businesses. This will deliver up to 15 000 rebates – saving small business owners thousands of dollars on their power bill.

Strengthening our schools

Investing in great classrooms means investing in our kids.

It's why this Budget dedicates \$1.9 billion to building and upgrading schools.

Not only will this investment help strengthen our school communities, it will help support over 6 400 jobs during construction. The investment includes:

- ➔ \$895 million to upgrade 123 schools
- ➔ \$389 million for upgrades at 39 special schools
- ➔ \$239 million for one new school and four additional stages at recently built schools
- ➔ \$86 million for upgrades at existing schools to expand capacity to meet enrolment growth
- ➔ \$70 million for maintenance
- ➔ \$50 million for small scale priority building projects through the Minor Capital Works Fund

This investment builds on the \$1.18 billion Education Building Works Stimulus announced in May 2020, combining to make a record \$3.1 billion investment in government school infrastructure announced this year.

A further \$100 million has been provided to continue the renewal of Victoria's TAFE system, funding the redevelopment of Chisholm Institute's Frankston Campus and the redevelopment of Melbourne Polytechnic's Collingwood Campus.

Investing in our hospitals

The health of those we love matters more than ever. The Andrews Labor Government is making sure more Victorians can get the care they need close to home, with new investment in our hospital and healthcare system.

This Budget includes:

- \$492 million to increase acute mental health beds at the McKellar Centre (Barwon Health), Northern Hospital, Royal Melbourne Hospital and Sunshine Hospital
- \$384 million to redevelop Warrnambool Base Hospital
- \$200 million for the Metropolitan Health Infrastructure Fund, for minor capital upgrades at metropolitan hospitals and health services
- \$135 million for the Kingston Public Residential Aged Care Project
- \$120 million to increase the Regional Health Infrastructure Fund, for minor upgrades at hospitals and health services across the regions
- \$75 million to purchase land and undertake detailed planning and early works for a new hospital in Melton
- \$66 million to acquire land in Cranbourne, Pakenham, Torquay, City of Whittlesea, Eltham, inner south and Point Cook for new community hospitals
- \$7.6 million to expand maternity accommodation and upgrade critical infrastructure in Wangaratta
- \$10 million to plan the redevelopment of the Royal Melbourne Hospital

These investments will support over 4 100 jobs at the peak of construction.

Backing community sport and recreation recovery

The Budget provides funding to support jobs and support strong local communities.

The \$110 million Community Sports Infrastructure Stimulus Program works with local government and sporting clubs to fast-track shovel-ready projects.

From netball courts to new sporting hubs, this investment will increase community participation in sport and recreation, while also creating new employment opportunities for Victorians. This investment is expected to support more than 500 jobs for local workers.

Melbourne Arts Precinct transformation

This Budget will further cement our reputation as Australia's cultural capital.

A new \$1.4 billion investment will transform our city's Arts Precinct – attracting visitors from interstate and overseas, supporting thousands of local jobs and giving everyone a new public place to enjoy and explore.

This funding will create NGV Contemporary – the country's largest gallery dedicated to contemporary art and design.

Located at 77 Southbank Boulevard – behind NGV's St Kilda Road gallery – NGV Contemporary will be a new stand-alone gallery focused on contemporary art and design.

The project will support over 5 000 jobs during construction, and is expected to attract an extra three million visitors each year, supporting more than 200 new ongoing jobs.

Funding will also see Arts Centre Melbourne's Theatres Building, one of Melbourne's most recognised landmarks, renewed with critical maintenance to the ageing building and its theatres and public spaces.

The project will transform the area around the NGV and Arts Centre, creating 18 000 square metres of new and renewed open public space, for everyone to enjoy.





3. Supporting industry and growth

Support for industries and leveraging our strengths

Victoria is home to world class makers, producers, thinkers and creators. Coronavirus (COVID-19) hasn't changed that.

As we begin to look to the future, our State's recovery from this pandemic will rely on supporting the industries hardest hit – and playing to our strengths.

Our *Jobs Plan* will build on our already significant investment in industry, making sure we're backing local businesses and the Victorians they employ.

Breakthrough Victoria Fund

The Andrews Labor Government will establish a \$2 billion Breakthrough Victoria Fund to drive investment in research, innovation and the next great breakthroughs over the next 10 years.

This investment will play to our State's strengths, focusing on industries including health and life-sciences, agri-food, advanced manufacturing, clean energy and digital technologies.

By playing to our strengths, we're protecting Victorian jobs and by exploring new innovative sectors, we'll attract new Victorian jobs too.

The Fund will help support research and development adoption and commercialisation, supporting 15 700 jobs over 10 years.

A new long-term investment strategy will be developed, underpinned by a partnership between industry, research, philanthropic and finance sectors.

It will support projects delivered in partnership with knowledge institutes and industry stakeholders, anchored at key innovation and employment precincts, including Parkville, Arden Macauley, Fishermans Bend, Latrobe Bundoora and Monash Clayton.

Furthering medical research

Our world-class medical researchers have played a critical role in uncovering some incredible breakthroughs, and these institutions will be just as critical to our State's economic success.

Employing our nation's best and brightest minds, Victoria is renowned as a global leader in medical research.

This Plan provides \$210 million to support the research and growth of our medical research organisations and institutes, with investments in:

- The Australian Institute of Infectious Disease, to drive research into infectious diseases and support 300 jobs within the sector
- The Melbourne Genomics Health Alliance, to advance genomic medicine and achieve more accurate and more rapid care for seriously ill Victorians
- Delivering research priorities directly related to the coronavirus (COVID-19) response
- Funding for a business case for the establishment of a National Centre for Inflammation, led by the Hudson Institute

Backing our creative industries

Victoria's creators are amongst the best in the nation. They're also amongst the most affected during the global pandemic.

New dedicated assistance will back our creative industries and support their recovery.

The independent creative and live music industry sectors will be supported with a \$9 million investment, helping them to play a critical role in our State's recovery.

The Sustaining Creative Workers initiative will also be extended, providing extra support for independent creative workers who have lost work. This includes support for these Victorians to develop new projects, strengthen skills and connect with new audiences and markets.

Our State's beloved cultural institutions and dynamic creative sector organisations will be supported with \$94 million, ensuring they can continue to entertain and inspire Victorians and visitors for generations to come.

Creative infrastructure projects in regional Victoria will be supported with \$35 million in funding, with projects including a new exhibition space at the former Kyneton Primary School, and upgrades to the Castlemaine Goods Shed, Shepparton Art Museum, Latrobe Creative Precinct, Euroa Community Cinema, Rex Theatre Charlton and development of the Torquay Multi Arts Centre.

The Budget also includes support for the local screen production industry, providing opportunities for Victoria's 6 400 strong screen industry workforce.

The Creative State Screen Industry Recovery Package includes support for the restart of physical production of international productions, with funding of \$21 million. The package supports the local production industry, and extends the existing Victorian Screen Industry initiative.

Export Recovery Plan

Exports are fundamental to Victoria's economy contributing 12 per cent to our gross state product and supporting Victorian jobs.

The global pandemic has highlighted the deep connection between the Victorian economy and the global economy.

Closure of international borders to personal and business travel and falling global demand has had an immediate impact on exports and our connection to global markets.

Victorian exports are projected to fall by \$10.3 billion in 2020 and likely to experience a protracted recovery.

To back this critical sector within our State's economy, the Budget delivers a \$32 million Export Recovery Plan.

The Plan will provide immediate support for the recovery of exports, while beginning work on our longer-term recovery.

This includes funding for pilot virtual trade missions, establishing a Freight Stabilisation Fund and Global Gateway vouchers – supporting Victorian exporters to recover and find new opportunities and markets.

The network of Victorian Government Trade and Investment offices will also be supported, including the appointment of a new Victorian Government Special Representative for New Zealand to facilitate new partnerships in trade and investment.

These initiatives will showcase Victorian businesses to the world, create new demand for our exports – and support the thousands of livelihoods that depend on exports.



Support for international education

International education is Victoria's largest single export.

The sector is worth \$13.7 billion to our economy and supports thousands of Victorian jobs.

Necessary international border closures have meant a sudden halt to onshore international student arrivals, with education providers having to pivot to online delivery.

While a full recovery will rely on broader international developments and securing a coronavirus (COVID-19) vaccine, the Government has acted to provide immediate support to our international students and the sector. This includes:

- \$350 million for the Victorian Higher Education State Investment Fund, including funding for capital works, applied research and research partnerships
- Funding arrangements to provide certainty and support to Victoria's TAFE sector and community training providers as they transition to remote and blended delivery, including \$69 million in crisis support
- \$45 million for the International Student Emergency Relief Fund, providing rapid support for students in financial need

A new \$33 million package will support targeted policies and programs for Victoria's international education sector.

This includes provision for a pilot program to facilitate the return of international students, as well as funding for the Pathway to Victorian Scholarship Program, the Beyond Melbourne Education Tourism Program, and the Study Melbourne Entrepreneurship Program. A targeted international marketing campaign will also promote Victoria as a study destination of choice, for future markets.

Ongoing recovery support for Victorian business

Beyond targeted sector support, the Andrews Labor Government will continue its vital support for businesses affected by the pandemic. This includes:

- The deferral of payroll tax for businesses with payrolls of up to \$10 million for the full 2020-21 financial year. This represents a \$1.7 billion cash flow boost for businesses
- A further \$89 million in support by waiving 2021 liquor licence fees, waiving 25 per cent of the 2020 congestion levy and deferring any outstanding congestion levy liability until March 2021, a full waiver for all 2021 vacant residential land tax liabilities that arise due to property vacancies in 2020 and deferring an increase to the landfill levy
- An increase in the threshold for paying payroll tax on an annual basis from \$40 000 to \$100 000, reducing administration costs and providing \$309 million in cash flow support to 7 000 businesses over the next four years

- Grants of up to \$50 000 for local business groups and chambers of commerce, to assist members to transition to COVID Normal
- \$1.1 billion in cash grants to support small and medium-sized businesses. This includes:
 - \$822 million for the third round of the Business Support Fund, building on the first two rounds which provided funding totalling \$1.8 billion of support
 - The \$251 million dedicated Licenced Venue Fund, with grants of between \$10 000 and \$30 000 for licenced venues of all shapes and sizes
 - An investment of \$44 million to equip businesses to thrive in COVID Normal. This includes \$20 million for small businesses to access off-the-shelf digital programs, training and work-shops designed to help businesses adapt to online operations

Maintaining global investment

The pandemic has had a big impact on global investment, with the United Nations estimating a potential drop of up to 40 per cent in foreign direct investment.

To help build on this strength, the Government's International Investment Strategy – recently updated in light of the pandemic – identifies priority sectors to pursue for inbound investment attraction.

The Plan maintains a focus on investments that play to our State's strengths, including those that:

- Promote cooperation in research development and commercialisation
- Address gaps in supply chains across the priority sectors
- Strengthen our venture capital ecosystem
- Enhance links to the global economy

This *Jobs Plan* further invests in those priority sectors, including \$80 million to attract global investment in health and life-sciences, agri-food, advanced manufacturing, clean energy and digital technologies.





Strengthening advanced manufacturing

Just as Victoria has a strong record in medical research, we also have a history as a leader in Australian manufacturing.

Manufacturing continues to be a major employer of Victorians across the state, supporting 289 000 jobs.

Reflecting its own proud manufacturing history, regional Victoria is home to more than 20 per cent of our State's manufacturing businesses.

Manufacturing is a catalyst for job growth, innovation and prosperity across the whole economy.

Manufacturing contributes \$30.6 billion (6.9 per cent) in gross value to the Victorian economy every year.

A transformational shift has seen the industry embracing new technologies, high-tech skills and new global connections providing a strong platform for growth.

In the *Jobs Plan*, the Andrews Labor Government is investing in a \$60 million Manufacturing and Industry Development Fund to support manufacturing capability and secure opportunities to re-shore and onshore manufacturing capabilities in Victoria, with a focus on developing key growth areas.

In a significant boost to the manufacturing sector in Victoria, the Budget also includes funding for 100 new Next Generation Trams – all made here in Victoria. This investment is set to support over 1800 jobs in manufacturing and supply chains at the peak of production.

A trial of zero emissions bus technology will also take place in Victoria, again supporting Victoria's manufacturing industry.

This Budget also establishes a \$40 million Industry Recovery and Growth Fund, with new funding focused on facilitating private sector investment in advanced manufacturing. This includes targeted investments in high growth sectors like food manufacturing and pharmaceuticals.

Funding of \$20 million will also go to establishing the Australian MedTech Manufacturing Centre and boost jobs, innovation and investment in the medical industry.

Funding businesses of the future

The *Jobs Plan* will support our State's innovators and creators with the new Victorian Startup Capital Fund.

This \$61 million fund is designed to unlock private capital to support our State's high-growth startups, develop new technology and innovation – and importantly, create new opportunities for Victorians.

The Budget also invests \$40 million into the LaunchVic Accelerate initiative.

This will help to re-establish growth in Victoria's startup ecosystem and promote entrepreneurship in regional Victoria, further supporting innovation, ideas and new jobs.

This Budget also delivers funding to inject more capital into the scaleup sector and support companies that do not meet the requirements of traditional lenders. Through a venture growth fund, the Government's co-investment with private investors will promote high value added jobs growth for small and medium-sized enterprises, with debt that is short to medium term in nature. The venture growth fund complements the new Victorian Startup Capital Fund.

Eligible small and medium-sized enterprises claiming the Commonwealth Government's Research and Development Tax Incentive will also have access to low interest loans for up to 80 per cent of their forecast refundable tax offset. This will ensure Victorian enterprises maintain their cashflows to continue vital research and development work.

Backing our farmers and food producers

Victoria's farmers feed our State.

Recognising Victoria's farmers essential role, a new \$65 million landmark agriculture strategy will develop, fund and deliver better infrastructure, new technology and greater energy efficiency on our farms.

These initiatives will save time and reduce costs for farmers – allowing them to do what they do best, putting food on the table of Victorians across the state and exporting it to the world.

The industry will also benefit from our new Breakthrough Victoria Fund, with a dedicated focus on agribusiness.

This includes establishing the Agriculture Technology Regional Innovation Network and a Pathways to Export program, as well as continuing the Agriculture Energy Investment Plan and delivering a new phase of the Food to Market Infrastructure Program.

Digital Future Now

Digital technology has been critical during the pandemic – and will continue to be critical for Victoria's recovery.

It's why the Government is delivering the transformational Digital Future Now investment, with \$626 million in funding.

This includes a \$250 million Gigabit State initiative, which will fund business-grade broadband in suburbs and regional towns across the state, supporting businesses and workers to fully participate in the emerging digital economy – wherever they live.

This includes upgrades in regional towns that currently only have access to satellite and fixed wireless services – giving them access to broadband for the very first time.

A six-year \$300 million program will eradicate black spots in populated areas of regional Victoria – supporting local businesses, local economies and local communities. This investment remains subject to a co-contribution from the Commonwealth Government, which has responsibility for our nation's telecommunications network.

Funding for a new Cremorne flagship digital hub is included in the package, with \$12 million to support local businesses with their digital transition and support new local jobs.

Finally, the package includes a new \$64 million Digital Skills and Jobs program to support unemployed Victorians in finding new opportunities with digital short courses and industry internships.







4. Supporting every corner of our State

Ensuring no community and no Victorian is left behind

This pandemic has affected our State deeply.

Our recovery will rely on supporting every Victorian. Every community. Every corner of our State.

This Budget – and our *Jobs Plan* – is dedicated to doing exactly that.

Backing local businesses. Investing in industry. And putting people first.

Recovery in regional and rural Victoria

The Budget continues the Andrews Labor Government's strong record of investing in regional Victoria – making sure that as we recover from this pandemic, no community or corner of our State is left behind.

Since the 2015-16 Budget, we have invested \$18.2 billion to help support regional Victoria.

This Budget builds on that effort, investing a further \$8 billion in our regional communities to make Victoria an even better place to live and work. This includes new schools, new hospitals, massive upgrades to regional rail and a road maintenance blitz.

At the same time, we understand the work is far from over. And supporting our whole State's recovery means ensuring local voices are at the heart of our local response.

Supporting new and growing regional businesses

To support regional businesses to open, relocate and expand, the Andrews Labor Government will deliver a 50 per cent stamp duty concession on the purchase of commercial and industrial properties, brought forward to January 2021.

The 50 per cent land transfer duty concession will now apply to contracts entered into from 1 January 2021 – rather than 1 July 2023 – for commercial and industrial properties anywhere in regional Victoria.

This investment will save businesses and individuals a combined \$40 million and builds on our existing cuts to payroll tax in regional Victoria – currently the lowest rate anywhere in Australia.

Growing regional jobs

To kick-start this work immediately, the Budget will invest \$10 million through the Coronavirus Short-Term Regional Recovery initiative for projects that have been identified by regional communities as urgent to their recovery.

This will fund community-led recovery activities such as targeted investment in social wellbeing, support for business adaptation and measures to skill up our regional workers to make the most of the economic recovery. This will build resilience in regional Victorian communities, getting workers back into work and growing local business opportunities.

To further assist recovery in rural and regional Victoria, this Budget includes funding of \$156 million for the Regional Jobs and Infrastructure Fund to back local priorities, regional investment – as well as supporting thousands of regional jobs.



The package includes the \$110 million Economic and Community Development initiative that will support projects that can be activated quickly, create and retain jobs and help regional economies and communities in their recovery efforts.

An extra \$36 million in funding for the Regional Jobs Fund will support regional businesses in high-potential, high value sectors that are seeking to develop and expand their operations.

A further \$10 million will be provided to support the development of community-led business cases and planning for local projects. This investment will allow these communities to accelerate work on local priorities that will help steer local recovery.

The Delivering for Rural and Regional Victoria program will continue its support for regional communities with an extra \$125 million over four years.

A recovery made in rural and regional Victoria

Our producers are renowned around the world. With this Budget, we're helping them find new markets and new opportunities.

The Budget invests \$65 million for a landmark new strategy for Victoria's agricultural sector, making sure we're helping farmers take advantage of new technology and remain internationally competitive.

This comprehensive strategy will develop, fund and deliver a range of initiatives that will improve infrastructure across the supply chain, explore new technology and innovation and boost energy efficiency on our farms.

The initiatives will increase innovation and productivity for producers, so they can focus on creating jobs and growing their business – as well as putting food on the table for families across the state.

This Budget also invests \$50 million in the next generation of Victorian farmers with upgrades to Longerenong College, University of Melbourne's Dookie campus and Marcus Oldham College.

Victorian Tourism Recovery Package

Victoria's tourism sector has been amongst the hardest hit during this pandemic.

The Andrews Labor Government recognises the critical importance of our regional tourism industry, which contributes \$9.4 billion to our economy and employs 110 000 people.

To support this industry get back on its feet – and support the thousands of jobs that go with it – this Budget includes a \$465 million Victorian Tourism Recovery Package to restart Victoria's tourism sector.

This includes a new Victorian Regional Travel Voucher Scheme, which will provide almost \$28 million to encourage Victorians to explore their own backyard.

These vouchers, worth \$200, will help provide an immediate boost to local economies and local jobs.

With the pandemic hitting Victoria's tourism sector hard, this Budget invests \$465 million in the Victorian Tourism Recovery Package.

This includes \$149 million for regional tourism infrastructure, campsites and visitor amenities projects to support jobs and local communities, including upgrading and invigorating 10 iconic tourist locations across our State.

- Great Ocean Road Revitalisation
- Grampians Peak Trail Projects
- Falls to Hotham Alpine Crossing: Stage 1
- Wilson Promontory Revitalisation
- Murray River Adventure Trail
- Brambuk Cultural Centre Revitalisation
- Mallee Silo Art projects including Rainbow Silo Art and the Mallee Silo Art initiatives
- Ballarat Centre for Photography
- Prosecco Road – Early Works
- Gippsland Tourism Recovery Package

From the Great Ocean Road to Gippsland, this investment will enrich Victoria's visitor experience while supporting new regional jobs.

This Budget also funds the immediate delivery of tourism infrastructure projects across the state. These shovel-ready, small-scale projects will attract new visitors and support local jobs, helping to support local economies and local communities.

This investment will also support regional events, further marketing, and new community driven ideas and initiatives.

Funding for the Major Events Fund provided in this Budget will also promote the calendar of events across the state, strengthening Victoria's position as a leading location for major events.

The Budget also includes over \$850 million to improve, repair and upgrade our country roads

Building regional Victoria's recovery

From the smallest road repair to state transforming transport projects, this Budget's investments in regional Victoria will support jobs, stimulate economic activity and make our communities stronger than ever.

This includes delivering Geelong Fast Rail. Not only will this improve connections between our two biggest cities, the project is expected to support over 2 800 jobs at the peak of delivery.

A further \$899 million will improve track between South Geelong and Warrnambool and \$660 million will kick-start work on the next stages of the Shepparton and Warrnambool Line upgrades.

The Budget also includes over \$850 million to improve, repair and upgrade our country roads, helping to improve freight connections and saving producers time and money.

Continuing our record of investment, an additional \$385 million will build and upgrade schools across regional Victoria – giving local families a great school they can rely on.

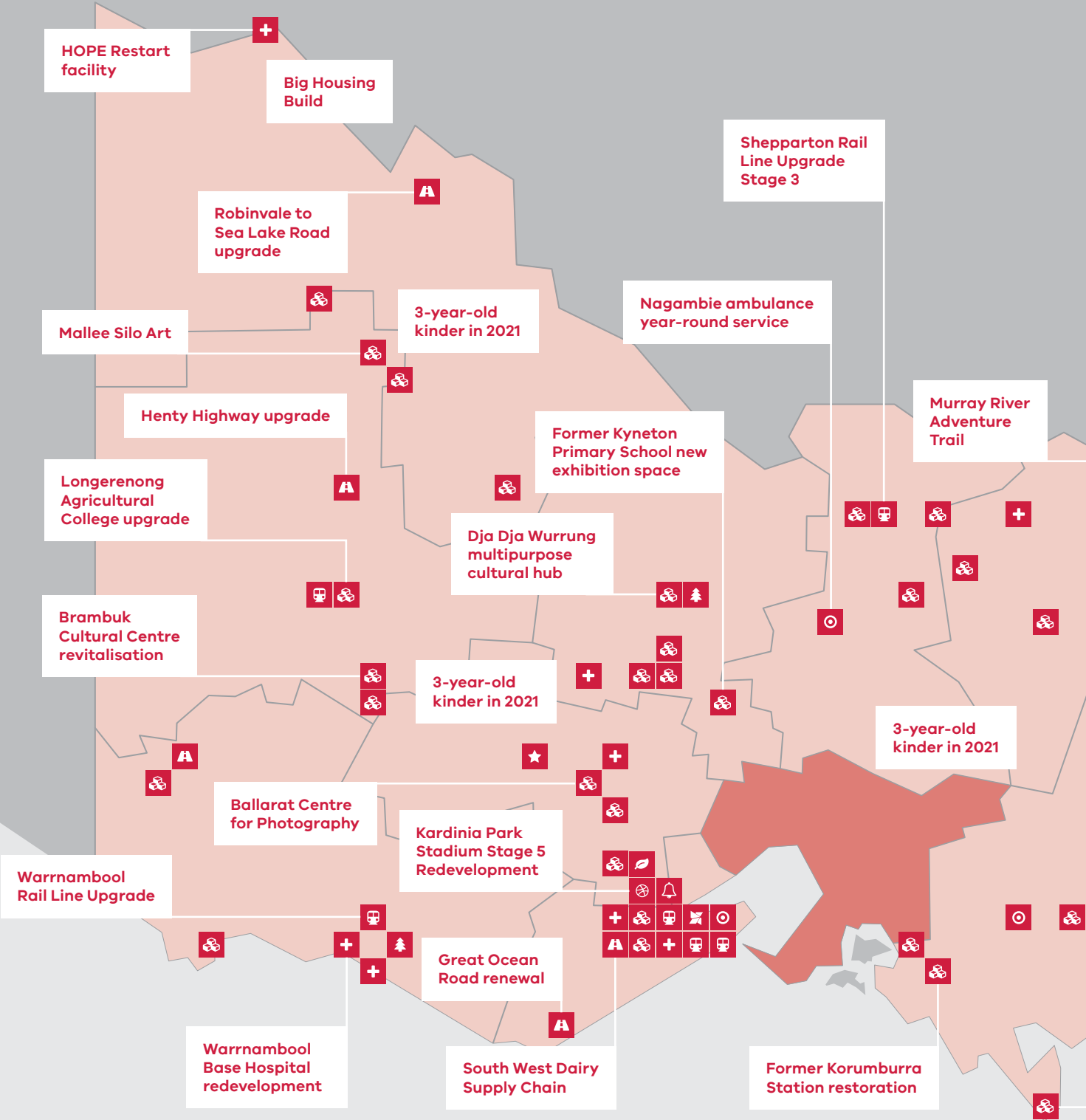
The Budget's \$1.6 billion investment in clean energy will also establish new Renewable Energy Zones across regional Victoria. In addition to supporting our State's transition to cheaper, cleaner energy, these zones will support new sustainable jobs and new local supply chains for regional communities.

The Government will also invest in planting and restoration work to improve private and public land across regional Victoria, reducing emissions through carbon storage and supporting jobs.

Across our State, these investments and many more will get more Victorians back to work and support the recovery of our regional communities.



Investing in every corner of the State



STATEWIDE

- \$6 billion for Victoria's Big Housing Build, including to build more than 12 000 new social and affordable homes, and make housing more accessible and affordable for Victorians, supporting thousands of jobs
- \$2.8 billion to maintain capacity in our health system as hospitals move to COVID Normal, allowing for more elective surgeries
- \$2 billion for the Breakthrough Victoria Fund to build on our strengths in research and development across key industries
- \$1.9 billion to upgrade 162 schools, build one new school and four additional stages at recently built schools
- \$1.7 billion cash flow boost for businesses through the deferral of 2020-21 payroll tax liabilities for payrolls up to \$10 million
- \$1.6 billion invested in cheaper, cleaner energy to power the economic recovery
- \$1.6 billion to transform how we support students with disability
- \$1.3 billion for child protection initiatives providing support for care leavers, early intervention for families and support for vulnerable children
- \$1.1 billion in grants to support small and medium-sized businesses
- \$1 billion invested in the training system, providing greater access to training through a number of initiatives
- \$869 million invested in mental health initiatives, including more acute mental health beds
- \$836 million for a New Jobs Tax Credit to re-hire staff, restore hours and create new jobs
- \$774 million invested in early childhood education, including free kindergarten programs in 2021 and the continued roll-out of funded 3-year-old kinder
- \$626 million for Digital Future Now package to support our transition to a digital economy
- \$619 million Jobs for Victoria initiative to help provide targeted and tailored support for Victorians most affected during this pandemic
- \$450 million for a statewide road maintenance blitz to improve safety for all road users and help maximise the productivity of the Victorian road network.
- \$388 million invested in the Keeping Victorians Moving initiative to reduce congestion and wait times for registration and licensing services across the State
- \$250 million to employ tutors in every government school and for every non-government school that needs them
- \$235 million to build our Recovery Workforce to create jobs across mental health, family violence, health and child protection
- \$191 million to provide solar panel system and battery storage rebates to more homes and small businesses
- \$120 million top up for the Regional Health Infrastructure Fund

Big Housing Build












3-year-old kinder in 2021

Princes Highway upgrade

Wilsons Promontory revitalisation

Point Hicks Lighthouse visitor facilities

Mallacoota Inlet access upgrade

-  Arts
-  Clean Energy
-  Education Initiatives
-  Emergency Services
-  Environment and Parkland
-  Health
-  Justice
-  Public Transport
-  Regional Investment
-  Roads
-  Sport and Recreation

Supporting our suburbs

Our State's success relies on our suburbs.

It's why, over the past five years, the Government has delivered record investment in these communities, building new roads, new schools, new hospitals and a significant overhaul of suburban public transport.

This Budget continues our commitment to these communities, delivering significant investments in our suburbs – and the people who call them home.

Importantly, these investments will also help support tens of thousands of new jobs.

Investing in our suburbs

In this Budget, \$75 million will extend and expand the Growing Suburbs Fund.

From swimming pools to sporting pavilions, this Fund will deliver new community projects across Melbourne's growing interface councils, and peri-urban councils.

The new Suburban Revitalisation and Growth initiative invests \$20 million to revitalise town centres in, Broadmeadows, Boronia, Frankston, Lilydale, Melton, Noble Park, Reservoir and Tarneit. In addition, the Altona Beach foreshore will be protected against rising sea levels and storm damage.

This initiative will support these communities in their economic and social recovery, delivering upgrades to local public spaces.

A \$117 million package of road and intersection upgrades will improve road safety and travel times across metropolitan Melbourne, alongside a \$388 million investment to reduce congestion and improve travel times on the metropolitan road network, as well as funding to reduce the wait time for registration and licensing services.

The \$63 million School and Community Safety program will improve safety for motorists, pedestrians and cyclists through temporary walking and cycling infrastructure, new and enhanced pedestrian crossings, funding to increase road safety around schools and at school crossings, and development funding for a shared user path as part of the Hurstbridge line works.

Open spaces, including local playgrounds and parks, will also be improved through the \$52 million Safer, Better Public Parks initiative, giving local families better places to enjoy.

Supporting jobs across our city

Initiatives in the *Jobs Plan* focus on where we can excel and builds on that momentum to support jobs and strengthen our city and suburbs.

The new Cremorne flagship digital hub funded under Victoria's Digital Future Now initiative will build on our digital advantage and help support new local jobs while future-proofing the state. The Digital Skills and Jobs program will also support unemployed Victorians find new opportunities with digital short courses and industry internships.

The \$61 million Victorian Startup Capital Fund will also build on the strength of our knowledge base to unlock private capital to support innovative, high-growth startups and support high value jobs.

Supporting training across our major projects will also be crucial to support jobs across our city.

New Skills and Jobs Centres will be established at the North East Link and the new Footscray Hospital, providing onsite advice for Victorians who want to be a part of these projects.

We will also make sure Victoria's Big Build creates more opportunities for a broader group of Victorians through the Big Build training pathway with a particular focus on women and other Victorians who may otherwise miss out.

The *Jobs Plan* also leverages the strength of the TAFE system to build the skilled workforce we need to fill jobs in crucial areas, with significant investment in TAFE places and an additional \$100 million for TAFE redevelopments to accommodate forecast demand in critical courses.

And to make sure Victorians of all backgrounds have the support they need to recover, a further \$34 million will help deliver Economic Recovery Support for Victoria's Multicultural Communities and Young People.

Connecting our suburbs

By investing in our local suburbs, we're making these communities even stronger while also creating new local jobs.

This Budget's \$1.9 billion for building and upgrading schools will not only improve our kids' classrooms and learning spaces, it will support a significant number of jobs during construction.

The new \$200 million Metropolitan Health Infrastructure Fund will support hospital works across Melbourne, making sure local families have confidence care is close to home – providing a better working environment for our dedicated health professionals.

The Big Build brings Melbourne's suburbs closer together, making it easier for families to work, learn and play closer to home.

\$2.2 billion in initial and early works is making the Suburban Rail Loop a reality as well as providing a much needed pipeline of work for many years to come.

This investment will create up to 800 jobs, while supporting 20 000 jobs over the construction period.

We're also working to improve our roads with \$150 million for a road maintenance blitz across metropolitan Melbourne. This will include routine maintenance, road surface replacement, bridge strengthening and replacing intelligent transport systems such as traffic signals and electronic speed signs.

This Budget also invests \$388 million in the Keeping Victorians Moving initiative that will reduce congestion and improve travel times on the metropolitan road network, as well as funding to reduce the wait time for registration and licensing services.

Ensuring our trams and tram network are operating at their peak is crucial in connecting our suburbs. This Budget provides \$1.5 billion to procure 100 Next Generation Trams, to be manufactured in Victoria, and to commence the establishment of a tram maintenance facility in Melbourne's north west.

Victoria's Big Housing Build includes \$5.3 billion to build more than 12 000 new social and affordable homes. This package will create opportunities for small, medium and large building contractors, supporting Victoria's economic recovery.



Suburban Investment



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Victorian Budget 2020/21
Jobs Plan

budget.vic.gov.au